GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2948
ANSWERED ON:17.12.2004
IMPOSITION OF CESS ON COMPANIES
Mane Smt. Nivedita;Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has imposed cess on companies cross turnover by enactment of a new legislation;

(b) if so, the details and the reasons therefor;

(c) whether his Ministry has received request from some organizations of companies and ASSOCHAM to reconsider its decision for the said cess;

(d) if so, the action taken by the Government on each of such requests; and

(e) the time by which the Government is going to take final decisions on such requests?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) No Sir. In the area of direct taxes, education cess has been imposed @ 2% as an additional surcharge on income tax. In the area of indirect taxes, education cess is calculated at the rate of 2 per cent of the aggregate duties of excise, customs duty or service tax.

(b), (c), (d) & (e): In view of the reply to (a), these do not arise.